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CHAPTER THREE

COORDINATING HUMAN RESOURCE POLICY

The Conference Report to the 1988 Intelligence Authorization Act instructed that the National Academy of Public Administration "Assess the ability of intelligence community activities to perform their current and future missions with existing or proposed personnel and compensation systems." The Academy panel recognized that there are many differences among agency authorities and policies and that there has been a great deal of recent change in these areas. Given this, the panel believed that one of its most important tasks was to assess the extent of coordination on these issues within the Intelligence Community and whether agencies with similar missions yet independent personnel systems in different organizational settings would benefit from a more coordinated approach to personnel policy.

In looking at intelligence agency human resource management (HRM) in its broadest context, the panel examined a range of organizational options for inter-agency coordination. Some of the options deal with statutory changes, while others go further, and discuss a stronger central role for coordinating change to major policies under existing statutory authorities. Prior to discussing these, the panel presents more detailed background information.

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I. Congressional Concern on Lack of Coordination

There has been concern among the congressional intelligence committees, who must address legislative proposals and conduct oversight, that the current lack of coordination has led to uneven compensation levels and other potential inequities. The committees believe this may be further reflected in an uncoordinated pattern of change -- termed "ratcheting" -- in which IC agencies become aware of new benefits one agency gets, and then request it for themselves. They believe proposals for personnel policy change should be examined in terms of their comparative impact or usefulness for other intelligence agencies, and in terms of how they relate to Title 5 Civil Service policies.

The depth of concern on this is reflected in the fact that this NAPA study was originally proposed by the House Permanent Select Committee on Intelligence (HPSCI) as the Commission on Intelligence Personnel Systems, with one member appointed by the president, another by the speaker of the House, and a third by the majority leader of the Senate. The House believed the Commission was necessary to: provide a comprehensive review of current programs; assess the need for changes, especially those required by the unique circumstances of intelligence activities; and present recommendations to the Congress after considering the potential inequities the proposed changes would create either among intelligence agencies or between the intelligence community and the federal Civil Service.

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A more recent reflection of the House Committee frustration in dealing with personnel and compensation proposals was contained in their comments on the fiscal year 1989 authorization for the National Foreign Intelligence Program (NFIP). The Committee expressed great concern that CIA personnel management and compensation systems could create inequities between CIA personnel and those in other intelligence agencies as well as with the federal Civil Service. The Committee maintains that inequities should be avoided and differences established only when unique circumstances of intelligence activities warrant such action. Further, the committees believe major personnel changes should not be implemented without fully evaluating the impact such changes would have on other agencies and whether they may need the same changes.

The Senate Select Committee on Intelligence (SSCI) has undertaken efforts to define for itself the varying personnel approaches within the IC. It reviewed IC personnel management, with work done in part by staff borrowed from the General Accounting Office, and prepared extensive background information on several of the agencies. As the review process neared the report writing stage, SSCI staff began working on the Iran Contra investigation, and were not able to complete it. Given the similar scope of the NAPA study, the SSCI has deferred completing its own review pending the outcome of this study.

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II. Framework for Coordination

In the executive branch, there is an umbrella organization -- the Office of Personnel Management -- to translate the laws governing Civil Service into administrative doctrine and delegate portions of the related functions to department or agency heads. The OPM also oversees proper implementation of personnel law. Within the Intelligence Community, there is no entity with a similar responsibility. While such a formal structure may not be needed, or even beneficial, the panel sees a clear need for enhanced coordination of HRM policies.

While the panel favors coordinated change, it cautions that the Congress not regard uniformity as an end, but that it instead seek a common set of personnel policy parameters under which all intelligence agencies would operate. The intelligence agencies are, in varying degrees, part of larger organizations with different cultures, authorizing committee jurisdictions and missions. This does not lend itself to a central structure. Not only would such a structure be a complex one to administer, it can thwart innovation. Clearly, the federal government is moving away from this concept, as OPM itself is now advocating decentralized approaches to personnel management.

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Establishing a set of broad parameters, rather than a defined operating structure provides each agency with the flexibilities recommended throughout this report. The agencies would have maximum discretion in implementing these policies according to their management needs, and they would be accountable through the congressional oversight process.

III. Possible Options for Coordination

The panel presents three options for increased coordination of personnel policy changes. These range from fairly little change in the current process to a decision-making role for the DCI. The panel considered the concept of a central personnel component for the Intelligence Community, but did not believe that concept to be in tandem with its other recommendations. In assessing each of the three options presented here, the panel looked at the extent to which it would assure equitable treatment for employees with similar work or work environments, and provide congressional committees a base of information on the impact of major changes.

Option 1

Agency Comparative Analysis of Legislative
Proposals for HRM Change

Each intelligence agency would analyze the impact their legislative proposals would have within their own organizations and,

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potentially, within the broader Community. These analyses would be submitted with the proposal to the House and Senate intelligence committees.

**Pros: Agency Accountability for
Comparative Analysis**

- A.) Least threatening to the individual agencies in terms of potential interference or impaired independence.
- B.) Forces the submitting agency to examine Community-wide implications of proposed statutory personnel changes.
- C.) Gives the committees one agency's perspective on change implications.

**Cons: Agency Accountability for
Comparative Analysis**

- A.) Does not assure coordination among the intelligence agencies before they submit legislative requests on personnel issues.
- B.) Does not eliminate the potential for "ratcheting," as decisions may still be made incrementally.
- C.) Puts the onus on congressional staff, who may not be experts on personnel matters, to analyze and assess change proposals.

Option 2 Senior Management Coordination

This would entail establishing a coordinating mechanism, chaired by the DCI, similar to the National Foreign Intelligence Committee (hereafter referred to as Senior Coordinating Group, or SCG.) The SCG would consider all statutory personnel change

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**Option 3 DCI Review of Proposed Personnel Legislative
Changes and Major Changes Within Existing Legislation**

The scope of the DCI's review would be expanded to cover significant changes in employee benefits and compensation schedules. The DCI would have the authority to stop proposals deemed inappropriate and require corrective action when he deemed some personnel authorities were to be used inappropriately. The DCI would be supported by a small staff element in the ICS which had professional credentials in the field of human resource management.

**Pros: DCI Review of Proposed Personnel Legislative
Changes and Major Changes Within Existing Authorities**

- A.) Ensures that congressional committees receive only those statutory proposals or that information on major policy changes that the DCI determines merit committee consideration.
- B.) Assures that decisions on conflicting views will be made within the Executive Branch.

**Cons: DCI Review of Proposed Personnel Legislative
Changes and Major Changes Within Existing Authorities**

- A.) Creates added tension within the IC, in that other agencies may believe the DCI does not have a role in deciding whether statutory requests should go forward or in reviewing personnel policies agencies can legally implement under their own authorities.
- B) Places the DCI in a difficult role re other power centers -- the Secretary of Defense and the Attorney General.
- C.) Moves accountability for implementing policies within the "broad parameter" system from the individual agencies to the DCI.

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Panel Preference for SCG

In developing its recommendation, the panel sought to balance the concerns of the congressional intelligence committees with the organizational realities of the agencies which comprise the Intelligence Community.

The panel believes it is not only understandable but commendable that the intelligence committees are willing to devote time and effort to understanding Intelligence Community HRM and looking toward the impact of future economic, social and demographic trends. Equally understandable is the committees' apparent frustration in having to focus on details within current policy implementation or change proposals. This is not an efficient use of congressional oversight time, as NAPA has highlighted in previous reports on effective congressional oversight.

At the same time, the panel recognizes that it has probably been very frustrating to the intelligence agencies to invest time in designing and refining HRM change proposals, only to have to wait what may seem inappropriate lengths of time for approval.

The panel sees two points that need to be addressed -- the level of communication between the intelligence committees and the IC agencies, and the scope of changes the agencies may make without

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seeking congressional approval. Whatever coordinating approach is selected to deal with these issues, it must be one that clearly places accountability for HRM implementation with the intelligence agencies themselves and draws the intelligence committees into these issues only in terms of the broad parameters of the HRM systems.

The panel recommends Option 2, establishing a Senior Coordinating Group, as the one which best achieves these objectives. In relying on a such an inter-agency group, the congressional committees assure an integrated approach toward HRM change and leave the responsibility for assessing the potential impacts of change where it belongs -- with the intelligence agencies.

The intelligence agencies began cooperating more on personnel issues with the inception of the NAPA study. While they were not necessarily unwilling to cooperate with one another prior to the study, they had little occasion to do so, and there were no incentives to encourage this. The NAPA panel's experience with the extent of cooperation and the level of coordination of the Study Steering Group's comments on NAPA's work suggests that the agencies within the Community are able to work effectively on these issues. The Study Steering Group composed of Directors of Personnel or officers in similar positions was established by the Community to facilitate the work of NAPA. It has worked well and the panel recommends that it continue as an arm of the SCG on human resource issues.

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A DCI decision-making role (Option 3) could certainly fill the same role, but the panel believes it would limit the agencies' independence. An enhanced role for an individual or position generally creates tension within any organization or group of organizations. This need not necessarily be "bad" -- consider the concept of "creative tension" -- but the Congress will need to consider whether the agencies' potential mistrust of an expanded role for the DCI will impede the coordination process or remove elements of agency independence that the Congress may have deliberately created. As a practical matter, agency missions and workforces are sufficiently different that a single decision-maker would require a great deal of centralized expertise, likely to duplicate individual agency capabilities. Thus, the ICS staff working to support the DCI would be much larger than that anticipated in Option 2.

The panel recommends that the intelligence agencies work to keep the congressional committees apprised of major change proposals as they develop. The concept of "no surprises" is a basic tenet of effective management and good congressional relations, and would save a great deal of anguish. At the same time, the panel emphasizes that this communication should be at the broad, policy level. The panel sees no reason for congressional committees to become involved in most aspects of agency management.

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Option 2, administered with common sense communication, will provide the committees with the information they need to make decisions, and the intelligence agencies with the flexibility to implement their current HRM systems and develop effective approaches for the future. It will also provide the framework for implementing the panel's recommendation for increased coordination in a number of specific areas.

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